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2008 MAY 23 PM 10:32
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May 23, 2008

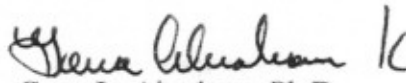
Ms. Elizabeth Pequeno Archer, Esq.
Inspector General
Office of the State Inspector General
2 M.L. King Jr. Drive, SW
Suite 1102, West Tower
Atlanta, Georgia 30334

Dear Ms. Archer:

Enclosed is the Georgia Department of Transportation's required written response from File Number 07-011 – Georgia Department of Transportation Executive Summary.

The Department staff is working diligently to correct identified problem areas and implementing the recommendations. I want to personally thank you for the work of your agency and the professional approach that was taken by your staff in completing this investigation. If you have any questions or concerns with our response, please do not hesitate to contact me.

Sincerely,


Gena L. Abraham, Ph.D.
Commissioner

GLA:crm

Enclosure

cc: Kevin Clark, COO
Gerald Ross, Chief Engineer
Buddy Gratton, Deputy Commissioner
JoAnn Chance, Special Advisor to the Commissioner
Richard Sawyer, Chief Acquisition Officer
Stephen Henry, Director of Operations

1) Any GDOT employee who enters into negotiations or commences an arrangement for future employment with an active contractor/consultant shall disclose this information to his/her immediate supervisor. Once the disclosure is made, GDOT should ensure that the employee no longer participates in any matter involving the new or potential employee so as not to create a perception of conflict of interest.

Response

We have three Transportation Online Policy and Procedure System (TOPPS) policies in place that deal with certain potential areas of conflict between GDOT employees and contractor/consultants. TOPPS Policy 2255-9 deals with gifts, honoraria and private compensation to DOT employees. It has been in place since 1995 and cross references TOPPS policy 2255-1 which is the "Standards of Conduct" for GDOT employees, Third Party payment of Travel and Business Expenses (TOPPS 7195-11), as well as Code of Ethics for Government Service, OCGA 45-10-1 and the Governor's Order, January 13, 2003. We also have an Outside Employment policy, TOPPS 2255-7 that has been in place since 1976. It specifically states that "GDOT employees shall not use their positions with the Department as an unfair advantage in securing work which would normally be done by other private firms or individuals". This TOPPS policy also includes a direct link to Standards of Conduct (TOPPS 2255-1), Code of Ethics for Government Services, Conflicts of Interest law (OCGA 45-10-1) and Executive Order.

We have drafted a new TOPPS policy that will address #1 more definitively (Office of Consultant Design is currently proposing the draft (*see below*) and should have senior management approval shortly). In addition, language shall be included in our future contracts to ensure that the contracting and consultant communities are aware of the policy and the requirement for strict adherence to the policy.

Latest version of proposed policy within GDOT

CODE OF CONDUCT PERTAINING TO CONFLICT OF INTEREST IN THE AWARD AND ADMINISTRATION OF CONTRACTS

In recent years, the Department has increased the use of consultant services in order to meet the goal of delivering the transportation program in an efficient and effective manner. As a result, the Department's employees must be cognizant of the potential for conflicts of interest and the Department must safeguard against conflict or even the appearance of a conflict of interest; especially in those areas where employees are involved in the selection, award and administration of consultant contracts. Therefore, effective immediately, the following actions shall be taken:

- (i) All Department staff whose duties include making decisions regarding the selection, award, and/or administration of consultant contracts shall sign a statement acknowledging that they have read and understood the Department's Code of Conduct regarding Conflict of Interest.
- (ii) A Department employee involved in the selection, award, and/or administration of a contract shall recuse themselves from any involvement in the selection, award, and/or administration of the contract if an actual or apparent conflict of interest exists.
- (iii) Any employee who leaves the employment of the Department and subsequently becomes employed with a consultant firm and whose duties while employed with the Department included the direct involvement with the negotiation, administration, or management of a contract in which the firm is either the primary consultant or a sub consultant shall not be authorized to work on that contract as an employee of that firm.
- (iv) On July 1st each year all consultant firms that are under contract with the Department as a prime or sub-consultant shall provide to the Department's Chief Acquisition Officer (CAO) a current list of all former Department employees hired by the firm within the last two years and a document that certifies the responsibilities of those employees as it relates to the consultant firm's current contracts with the Department. This certification document shall attest to the fact that over the last year no former Department employee that is employed by the firm has worked on a contract between the Department and the firm where that employee, when employed by the Department, had direct involvement with the selection, award and/or administration of the consultant contract.

If the Department's CAO determines that at any point during a contract that an actual conflict exists as it relates to the above paragraph, then the CAO shall have the authority to issue a stop work order on that contract.

In addition to the above, the Department shall modify the existing Consultant Management Information System (CMIS) database so that for each consultant project there is a listing of each GDOT employee that has/had direct involvement with selecting, negotiating, administering, and managing the activities of that project. This will allow the sorting by GDOT employee of their direct involvement by consultant name and project for verifying the information provided by each consultant as outlined in the above proposed policy in item (iv).

Proposed Implementation

- Adoption of Proposed Policy
- Completion of items within Policy
- Modification of CMIS database software
- Completion of entering employee information into CMIS

Dates

July 1st, 2008
Oct. 1st, 2008
Oct. 1st, 2008
Oct. 1st, 2008

2) *GDOT should create a post employment policy which addresses employees who leave the department to work for contractors/consultants with whom the employee has participated in awarding, administering or supervising said consultant's contract while in his or her official state capacity.*

Response and Proposed Implementation

See response to #1.

3) *GDOT should take the appropriate corrective action to comply with their Office of Audits' recommendations and correct the identified problem areas.*

Response and Implementation Plan

The Department has been working on this matter since the internal audit started. All corrections that were recommended in the audit review have been completed or are ongoing, *see attached "INTERNAL AUDIT REPORT RESPONSE AND CORRECTIVE ACTION PLAN" for findings, recommendations, corrective action plan, and comments for completion dates.*

4) *Consider increasing the frequency of internal audits agency-wide.*

Response

GDOT concurs with this finding and is currently in the process of organizational restructuring to centralize all internal and external audit functions of the Department into a proposed GDOT Compliance Unit that will report directly to the Commissioner or the DOT Board of Directors. This will allow this unit to be organizationally independent and free of any conflict of interest as defined under the Government Accountability Office (GAO) - Generally Accepted Government Auditing Standards Chapter 3".

Proposed Implementation

- New Compliance Unit with appropriate staff in place

Dates

July 1st, 2008

5) *GDOT should explore the possibility of adding staff or realigning present staff within Office of Audits and/or General Support & Procurement for the purpose of increasing internal auditing capabilities.*

Response

For response on realigning staff for audit purposes see answer to Recommendation #4 above.

For the recommendation of realigning staff for General Support and Procurement, GDOT concurs with this finding and is currently in the process of organizational restructuring by centralizing all procurement functions of the Department into a proposed Procurement Unit. This unit will be headed up by a newly created Chief Acquisition Officer position.

Proposed Implementation

- New Compliance Unit with appropriate staff in place
- New Procurement Unit with appropriate staff in place

Dates

July 1st, 2008

July 1st, 2008

6) *Consider an evaluation of the use of consultants in the Office of Traffic Ops to ensure that there is no duplication of job responsibilities between state employees and consultants. GDOT should also ensure that the state is receiving the full benefit of the consultants' services.*

Response

The Office of Traffic Operations had already initiated corrective actions as the Audit Report and IG Report were being prepared. The department has completed the review and evaluation of consultant services. The consultant contracts in question have been modified to change, cancelled or not renewed the set of deliverables. The role of project managers assigned to these tasks has been restructured and defined. Training has been provided and/or scheduled where applicable (*also see response to question #8*). The internal audit identified specific individuals who were of concern. The Department has either discontinued business with or significantly changed the roles and responsibilities of all of the individuals noted. This action was completed on December 7, 2007

The Department has reviewed the policies and modified the language for all future Master Contracts to ensure that both the consulting firm(s) and GDOT program manager(s) are aware of which support responsibilities can and can not be included in a Task Order. These contracts are also being modified to ensure that a clear set of deliverables are specified for services received.

Proposed Implementation

- Ensuring no duplication of job responsibilities between State employees and consultants
- Modification of Master Contracts

Dates

Completed

Completed

7) Consider conducting a Job Task Analysis to ensure that appropriate employee qualification levels exist so that the division/agency operates with efficiency and business acumen. The agency should also determine which positions and responsibilities need to be revamped for increased organizational efficiency.

Response

The Department concurs with this recommendation and is in the process of evaluating and updating each job description within the department to ensure that the appropriate responsibilities and accountability are in place for each position. The Department also has consultant under contract to perform a salary survey on each of the updated job descriptions. The information from the survey will be utilized to ensure that the Department offers the appropriate salaries to the best qualified applicants on all future opportunities with the Department.

Proposed Implementation

- Completion of updating job descriptions and salary survey

Dates

July 1st, 2009

8) Identify and pursue training needs for procurement staff and other officials agency-wide who hold responsibility for contract management and oversight of consultants.

Response

The Department's Training Office offers several classes under a program called "CONSULTANT PROCUREMENT & CONTRACT MANAGEMENT." Everyone managing consultants and contracts is required to go through this series of four classes. A list of the classes and their descriptions (*these were cut/pasted from the Department's Training website*) are shown below. The four classes are "Basics of Project Funding", "Contract Negotiation & Development", "Contracts Payable Practices" and "Consultant Acquisition Process".

The Department's Training Office tracks the data for DOT employees that have gone through each of the training sessions by name, date and job title. The chart shown below reflects the number of employees who have attended the training to date. All employees involved with consultant services will undergo training in the four courses. Each of these classes is taught by subject matter experts in the Offices of Consultant Design, Financial Management and Accounts Payable.

**Consultant Procurement & Contract Management (CPCM)
Training Completion Report**

February 2005 to January 2008

Course	Consultants	Local Government	GDOT Employees
Project Funding	44	11	152
Consultant Acquisition Process	16	31	84
Contract Negotiation & Development	56	18	88
Contracts Payable Practices	41	0	144
TOTALS	157	60	468

The below prioritized list for CPCM training identifies the job titles of employees within the following offices that have the most direct involvement with consultant contracts and that will receive the highest priority for the noted CPCM training.

Prioritized Lists for CPCM Training by Office	
Office	Job Titles
Right of Way	Local Government Coordinator Property Management Supervisor Relocation Manager Appraisal and Review Manager Right of Way Consultant Program Mgr. Right of Way Administrator
Intermodal	Aviation Program Manager Transit Program Manager Rail Program Manager Waterways Program Manager Fiscal Services Manager
Engineering Services	Design Review Engineer Manager
Urban Design	Assistant State Urban Design Eng. Design Group Manager
Materials and Research	Asst. State Materials & Research Eng Testing Bureau Chief
Legal Services	Legal Services Specialist Legal Services Administrator
Maintenance	State Bridge Inspection Eng. State Bridge Maintenance Eng. Maintenance Design Manager Asst State Maintenance Engineer State Maintenance Admin. Eng.
Transportation Data	Administrative Operations Manager Systems Classification Branch Assistant Classification Branch Chief
Utilities	State Utilities Engineer Railroad Crossing Program Manager State Subsurface Utilities Eng
Environment and Location	Ecology Manager Archaeology Manager Traffic Analyst Supervisor Transportation Env. Planner Mgr. Chief of Photogrammetry NEPA Section Chief Environmental Planner Manager Ecology Section Chief Location/Traffic Analysis Section Mgr. Chief, Environmental Analysis Transportation Env. Asst. Admin. Asst. State Env./Location Eng
Consultant Design	Contract Specialist Contract Negotiator Project Director Contract Officer

Other employees who are not involved with contract development, but who do interact with consultant oversight, have also been identified and are in the second tier of training. The training of GDOT staff on procurement of consultant services was implemented about two years ago. This task was taken as a part of the overall goal of streamlining efforts to centralize and manage more efficiently our consultant procurement activities throughout the Department. The overall objective started in 2003. An additional part of this effort was the development of a consultant Procurement and Management Manual. The manual is posted on the Consultant Design/Program delivery website for reference by the public and more specifically for Consultants interested in doing business with the Department. The training session for GDOT staff on our new procurement process for consultant services has been on-going since 2007. In fact, the sessions gained such interest that we extended the training sessions to the Consultant Industry and local governments who are involved in the procurement of consultant services.

In addition, as stated in response #5, consolidation of all of the Department's procurement functions into one unit is ongoing and that unit will report to a newly created position of Chief Procurement Officer. All employees that will report to this unit will be required to attend all the above training.

Proposed Implementation

Dates

- Completion of training for positions identified in prioritized list and procurement personnel in new procurement unit

November 15th, 2008

9) Ensure employees receive adequate ethics training as it relates to their interaction with entities doing, or seeking to do business with the agency.

Response

Traffic Operations Office has held meetings with all employees to insure their understanding and compliance with current ethics policies.

In reference to the entire Department and in addition to the response to recommendation #1, the Human Resources Division is developing an overall ethics training program that the Department will require each employee to take on an annual basis. Classes have been developed and scheduled to insure that all employees are trained within the next six months (end of November 2008). This training was developed through the State Personnel Administration (SPA) and they will be conducting the classes. The Department reviewed the two related courses offered by SPA and with assistance from that agency, a new course was developed utilizing learning objectives that were most applicable to the GDOT staff. The course is approximately 3 hours long and the training will begin the week of May 19th in the Department's field districts Three (Thomaston) and Six (Cartersville). Each employee completing the course will be required to sign an Acknowledgement Statement which

will be recorded in their personnel file. The Acknowledgement Statement will indicate that the employee was given copies of the TOPPs Policies related to ethics as well as the Department's Standards of Conduct.

Also, the Department is providing basic training concerning ethics and ethical decision making in the New Employee Orientation (NEO) program. The NEO is mandatory for all new employees. Each new employee is given an employee handbook which specifically addresses this information. Section 300 of the handbook (which is also available online) covers Employee Conduct. Specifically, section 302 covers our Code of Ethics. Also, O.C.G.A. Section 45-10-01 is clearly displayed on page 25 of the manual and discussed in a classroom environment. The manual is also given to all new employees and is available online as well. During the Human Resources Section of the NEO, a PowerPoint presentation is discussed which focuses on general ethics, and a video called "Ethics 4 Everyone" is shown.

The Department has also contracted with the Carl Vinson Institute to develop a training course to focus on the ethical issues related to conducting business with the Consultant industry. This action is being taken in direct response to the issues identified in the Audit. The training will incorporate specific scenarios addressing the professional interactions involved with administering contract procurement and management by Department personnel. The target staff for this course will be the individual titles previously identified in Response to item number 8 (see chart on page 7), but others who interact with consultant work within the agency will also be included. The course will be approximately five to six hours of in depth training.

Proposed Implementation

Dates

- | | |
|---|------------------|
| - Completion of development for Department Ethics training with Carl Vinson Institute | July 1, 2008 |
| - Completion of Carl Vinson training | December 1, 2008 |
| - Completion of ethics training for all GDOT | December 1, 2008 |

10) Ensure division directors, managers, and supervisors are mindful of evaluating business decisions so as not to create the appearance of a conflict of interest.

Response and Proposed Implementation

When the final draft of the policy noted in response #1 is implemented, "a sign off" will be required of all managers across the agency to ensure compliance. In addition, as stated in response #9, all Department employees, including top management, will be required to go through the new ethics training on an annual basis.